

---

---

# HOUSE BILL No. 1220

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-2.5-14; IC 36-7.5-1-18; IC 36-7.5-4-1.

**Synopsis:** Transportation tax area. Establishes a transportation tax area for the territory within Lake County and Porter County. Provides for an allocation to the transportation tax area from the state gross retail and use taxes collected from the counties. Requires the development board of the northwest Indiana regional development authority to use the allocation for projects related to the West Lake line. Makes an appropriation.

**Effective:** July 1, 2008.

---

---

**Dobis**

---

---

January 14, 2008, read first time and referred to Committee on Ways and Means.

---

---

C  
o  
p  
y



Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## HOUSE BILL No. 1220

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-2.5-14 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2008]:

4 **Chapter 14. Transportation Tax Area**

5 **Sec. 1.** As used in this chapter, "bonds" means bonds, notes, or  
6 other evidences of indebtedness issued by the development  
7 authority for the development of the West Lake line.

8 **Sec. 2.** As used in this chapter, "commuter transportation  
9 district" refers to a commuter transportation district that:

10 (1) is established under IC 8-5-15; and

11 (2) has among its purposes the maintenance, operation, and  
12 improvement of passenger service over the Chicago, South  
13 Shore, and South Bend Railroad and any extension of that  
14 railroad.

15 **Sec. 3.** As used in this chapter, "covered taxes" means the state  
16 gross retail and use taxes imposed under this article.

17 **Sec. 4.** As used in this chapter, "development authority" refers

C  
o  
p  
y



to the northwest Indiana regional development authority established by IC 36-7.5-2-1.

Sec. 5. As used in this chapter, "development board" refers to the governing body appointed under IC 36-7.5-2-3 for a development authority.

Sec. 6. As used in this chapter, "eligible county" refers to the following:

(1) A county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(2) A county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000).

Sec. 7. As used in this chapter, "West Lake line" means a commuter transportation district project that extends passenger rail service by the Chicago, South Shore, and South Bend Railroad along a route to Lowell and Valparaiso.

Sec. 8. (a) The combined territory of the eligible counties is designated as a transportation tax area that is entitled to a monthly allocation of covered taxes in the manner and amount provided by this chapter.

(b) Before September 1, 2008, the development board shall submit to the department by certified mail a complete list of the following:

(1) Employers in the transportation tax area.

(2) Street names and the range of street numbers of each street in the transportation tax area.

The development board shall update the list before July 1 of each year that begins after December 31, 2008.

(c) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a transportation tax area.

Sec. 9. A transportation tax area designated under section 8 of this chapter expires when the bonds, together with the interest on the bonds, and interest on unpaid installments of interest, and all costs and expenses in connection with an action or a proceeding by or on behalf of the holders, are fully met, paid, and discharged.

Sec. 10. The department shall before the tenth day of each month determine the total amount of covered taxes deposited in the state general fund under IC 6-2.5-10-1(b)(2) in the previous month that were:

(1) remitted, in the case of the state gross retail tax deposits,

**C  
o  
p  
y**



by a retail merchant for retail transactions occurring in an eligible county; or

(2) paid, in the case of the use tax deposits, by a person who resides or is domiciled in an eligible county.

**Sec. 11.** The amount of the monthly allocation of covered taxes that a transportation tax area is entitled to receive is equal to:

(1) the amount determined under section 10 of this chapter; multiplied by

(2) twelve and forty-six hundredths percent (12.46%).

**Sec. 12. (a)** All allocations of covered taxes under this chapter for a transportation tax area shall be made by warrants issued by the auditor of state to the treasurer of state ordering those payments to the development board on or before the twentieth day of each month.

(b) There is annually appropriated from the state general fund an amount sufficient to make the allocations required by this chapter.

**Sec. 13.** The development board shall deposit all allocations received under this chapter in the development authority fund established by IC 36-7.5-4-1. Money deposited in the development authority fund under this section may be used by the development authority only for the purposes specified in IC 36-7.5-4-1(h).

**Sec. 14.** The development board shall repay to the state general fund any amount that is paid to the development board under section 12 of this chapter and used for a purpose that is not described in IC 36-7.5-4-1(h).

**Sec. 15.** This chapter expires on the earlier of:

(1) December 31 of the calendar year in which the transportation tax area expires under section 9 of this chapter; or

(2) December 31, 2043.

SECTION 2. IC 36-7.5-1-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 18. "West Lake line" means a commuter transportation district project that extends passenger rail service by the Chicago, South Shore, and South Bend Railroad along a route to Lowell and Valparaiso.**

SECTION 3. IC 36-7.5-4-1, AS ADDED BY P.L.214-2005, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1. (a)** The development board shall establish and administer a development authority fund.

(b) The development authority fund consists of the following:

C  
o  
p  
y



(1) Riverboat admissions tax revenue, riverboat wagering tax revenue, or riverboat incentive payments received by a city or county described in IC 36-7.5-2-3(b) and transferred by the county or city to the fund.

(2) County economic development income tax revenue received under IC 6-3.5-7 by a county or city and transferred by the county or city to the fund.

(3) Amounts distributed under IC 8-15-2-14.7.

(4) Food and beverage tax revenue deposited in the fund under IC 6-9-36-8.

(5) Funds received from the federal government.

(6) Appropriations to the fund by the general assembly.

(7) Other local revenue appropriated to the fund by a political subdivision.

(8) Gifts, donations, and grants to the fund.

**(9) State gross retail and use taxes deposited in the fund under IC 6-2.5-14-13.**

(c) ~~On the date the development authority issues bonds for any purpose under this article, which are secured in whole or in part by The development authority shall establish a development authority fund. The development board shall establish and administer two (2) accounts within the development authority fund: The accounts shall be the a general account, and the a lease rental account, After the accounts are established, and such other accounts in the fund as are necessary or appropriate to carry out the powers and duties of the development authority. Except as otherwise provided by law or agreement with holders of any obligations of the development authority, all money transferred to the development authority fund under subsections subsection (b)(1), (b)(2), and (b)(4) shall be deposited in the lease rental account and used only for the payment of or to secure the payment of obligations of an eligible political subdivision under a lease entered into by an eligible political subdivision and the development authority under this chapter. However, any money deposited in the lease rental account and not used for the purposes of this subsection shall be returned by the treasurer of the development authority to the respective counties and cities that contributed the money to the development authority.~~

(d) ~~Notwithstanding subsection (c);~~ If the amount of ~~all~~ money transferred to the development authority fund under ~~subsections~~ **subsection (b)(1), (b)(2), and (b)(4)** for deposit in the lease rental account in any one (1) calendar year is greater than an amount equal to:

(1) one and twenty-five hundredths (1.25); multiplied by

C  
o  
p  
y



(2) the total of the highest annual debt service on any bonds then outstanding to their final maturity date, which have been issued under this article and are not secured by a lease, plus the highest annual lease payments on any leases to their final maturity, which are then in effect under this article;  
~~then~~ all or a portion of the excess may instead be deposited in the general account.

(e) **Except as otherwise provided by law or agreement with the holders of obligations of the development authority**, all other money and revenues of the development authority may be deposited in the general account or the lease rental account at the discretion of the development board. Money on deposit in the lease rental account may be used only to make rental payments on leases entered into by the development authority under this article. Money on deposit in the general account may be used for any purpose authorized by this article.

(f) The development authority fund shall be administered by the development authority.

(g) Money in the development authority fund shall be used by the development authority to carry out this article and does not revert to any other fund.

**(h) The development authority shall separately account for state gross retail and use tax revenue accruing to the development authority under IC 6-2.5-14-13. The money may be used only for the following purposes:**

(1) Providing funding to assist a commuter transportation district in an eligible county in the construction, reconstruction, renovation, purchase, lease, acquisition, and equipping of the West Lake line.

(2) Using the development authority's funds to match federal grants or make loans, loan guarantees, or grants to facilitate the construction, reconstruction, renovation, purchase, lease, acquisition, and equipping of the West Lake line.

(3) Exercising any other power or duty of the development authority to facilitate the construction, reconstruction, renovation, purchase, lease, acquisition, and equipping of the West Lake line, including the issuance of bonds, the establishment of reserves, the acquisition of property, and the entering into of leases and other agreements.

(i) Any state gross retail and use taxes deposited into the fund under IC 6-2.5-14-13 that remain in the fund when a transportation tax area established by IC 6-2.5-14-8 expires must be transferred to the treasurer of state for deposit in the state

C  
o  
p  
y



1     **general fund.**  
2         SECTION 4. [EFFECTIVE JULY 1, 2008] IC 6-2.5-14, as added  
3     **by this act, applies to retail transactions occurring after June 30,**  
4     **2008.**

**C**  
**O**  
**P**  
**Y**

